




TENNESSEE DEPARTMENT OF REVENUE  
BUSINESS TAX RETURN FOR COUNTIES AND CITIES

**BUS  
402**

Filing Period	Account No.	
Due Date	Situs Code	
		<p>Returns must be postmarked by the due date to avoid the assessment of penalty and interest. Returns must be filed even if no tax was collected.</p> <p>Make your check payable to Tennessee Department of Revenue for the amount shown on line 14 and mail to:</p> <p>Tennessee Department of Revenue Andrew Jackson State Office Bldg. 500 Deaderick Street Nashville, TN 37242</p>
<p style="text-align: center;"><b>REMINDERS</b></p> <ol style="list-style-type: none"><li>1. Annual taxpayers report collections for June 1 through May 31.</li><li>2. Annual returns are delinquent after June 20th.</li><li>3. Monthly and quarterly returns are due the 15th of the month.</li><li>4. Do not include your \$5.00 recording fees in the gross amount reported on line 1.</li></ol>		<p>IF AN AMENDED RETURN CHECK HERE  <input type="checkbox"/></p>

**KEEP A COPY OF THIS RETURN FOR YOUR RECORDS**

**ROUND TO NEAREST DOLLAR**

1. Total business tax, penalty, and interest collected excluding local audit collections .....	_____
2. Credits for payments made to county/city after enactment of Public Chapter 856, Acts 2002	
a. Total credits allowed for payments made to county/city under T.C.A. Sec. 67-4-713(a)(3)-(a)(7) .....	_____
3. Total business tax base (Line 1 plus line 2a) .....	_____
4. a. Total business tax, penalty, and interest collected for periods prior to enactment of Public Chapter 856, Acts 2002 plus business tax on transient vendors and flea markets .....	_____
b. Total penalty and interest collected on local portion of business tax due after enactment of Public Chapter 856, Acts 2002 ..	_____
c. Total penalty and interest collected on state portion of business tax due under T.C.A. Sec. 67-4-724(a)(1)-(a)(2) .....	_____
5. Total business tax base subject to allocation under T.C.A. Sec. 67-4-724(a)(2) (Line 3 less lines 4a, 4b, and 4c) .....	_____
6. Total collections allocated to state under T.C.A. Sec. 67-4-724(a)(2) (33.33% of Line 5) .....	_____
7. Total business tax, penalty, and interest subject to allocation under T.C.A. Sec. 67-4-724(a)(1) (Line 1 less lines 4b, 4c and 6)	_____
8. Total collections allocated to state under T.C.A. Sec. 67-4-724(a)(1) (15% of Line 7) .....	_____
9. Total state's share of business tax (Sum of lines 4c, 6 and 8) .....	_____
10. Less 5% County Clerk's commission on funds collected and paid over to state (5% of Line 9) ( <b>Cities enter 0</b> ) .....	_____
11. Total business tax due to the state (Line 9 less Line 10) .....	_____
12. Penalty - 5% of Line 11 for each 30-day delinquent period, or portion thereof, not to exceed 25%; Minimum penalty is \$15 .....	_____
13. Interest - If filed late, 9.00% of Line 11 per annum computed from the date due to the date of payment .....	_____
14. Total remittance (Line 11 plus lines 12 and 13) (Enclose check in amount payable to Tennessee Department of Revenue) .....	_____

**FOR OFFICE USE ONLY**



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<p>I certify that this report has been examined by me and is to the best of my knowledge and belief a true and complete report, made in good faith for the taxable period stated, pursuant to the provisions of Chapter 58, Title 67, Tennessee Code Annotated, and Rules and Regulations issued under authority thereof.</p> <p>_____</p>
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For additional information, contact the Taxpayer Services Division in one of our Department of Revenue Offices:

<b>Chattanooga</b>	<b>Jackson</b>	<b>Johnson City</b>	<b>Knoxville</b>	<b>Memphis</b>	<b>Nashville</b>
(423) 634-6266	(731) 423-5747	(423) 854-5321	(865) 594-6100	(901) 213-1400	(615) 253-0600
Suite 350	Suite 340	204 High Point Drive	Room 606	3150 Appling Road	3rd Floor
State Office Building	Lowell Thomas Building	State Office Building	State Office Building	Bartlett, TN	Andrew Jackson Building
540 McCallie Avenue	225 Martin Luther King Blvd.	531 Henley Street			500 Deaderick Street
Tennessee residents can also call our statewide toll free number at 1-800-342-1003.					
Out-of-state callers must dial (615) 253-0600					
<a href="http://www.tennessee.gov/revenue">www.tennessee.gov/revenue</a>					

## BUSINESS TAX RETURN INSTRUCTIONS

**NOTE:** Enter the amounts collected during the reporting period on the appropriate line as indicated below. Commissions on sales of lottery tickets are subject to the business tax at the rate applicable to the Classification 1 rate applicable to fifty-one percent (51%) of the entity's normal business activity. Lottery ticket sales are not subject to the business tax.

- Line 1: Enter the total of all collections, whether city or county, except tax, penalty, and interest collected as a result of local government field business tax audits. This should equal the sum of both (Local and State) columns on Line 12 of all local business tax returns submitted for the tax period. Include receipts from transient vendors and flea markets and adjustments. Include self-assessed business tax being reported in this line also.
- Line 2: Leave Blank
- Line 2a: Enter the total amount of all credits allowed for payments to the county/city under Tenn. Code Ann. Section 67-4-713(a)(3) – (a)(7). This should equal the amounts reflected on Line 8 of all local business tax returns submitted for the tax period.
- Line 3: Calculate the total business tax base by adding Lines 1 and 2a.
- Line 4a: Enter the total business tax, penalty, and interest collected for periods prior to enactment of Public Chapter 856, Acts of 2002 plus business tax on transient vendors and flea markets.
- Line 4b: Enter the total penalty, and interest collected on the local portion of the business tax due after enactment of Public Chapter 856, Acts of 2002. This should equal the sum of Line 10a (Local) and Line 11 (Local) of all local business tax returns submitted for the tax period.
- Line 4c: Enter the total penalty, and interest collected on the state portion of the business tax due under Tenn. Code Ann. Section 67-4-724(a)(1) and (a)(2). This should equal the sum of Line 10b (State) and Line 11 (State) of all local business tax returns submitted for the tax period.
- Line 5: Enter the total business tax base subject to allocation under Tenn. Code Ann. Section 67-4-724(a)(2). Subtract Lines 4a, 4b, and 4c from Line 3. This should equal the total amounts reported of Line 6c of all local business tax returns submitted for the tax period.
- Line 6: Calculate the total business tax collections allocated to the state under Tenn. Code Ann. Section 67-4-724(a)(2) by multiplying the amount in Line 5 by 33.33% (Line 5 x .3333). This should equal the total amounts reported of Line 7b (State) of all local business tax returns submitted for the tax period.
- Line 7: Calculate the total business tax, penalty, and interest subject to allocation under Tenn. Code Ann. Section 67-4-724(a)(1). Subtract Lines 4b, 4c, and 6 from Line 1. If the total business tax due is zero but there is a \$15 penalty, the \$15 penalty will be split 85% local and 15% state.
- Line 8: Calculate the total business tax collections allocated to the state under Tenn. Code Ann. Section 67-4-724(a)(1) by multiplying the amount in Line 7 by 15% (Line 7 x .15).
- Line 9: Calculate the total state's share of business tax collections reported for the tax period by adding the amounts on Lines 4c, 6, and 8.
- Line 10: County Clerks calculate their commission on business tax funds collected and paid over to the state by multiplying the amount in Line 9 by 5%. (Line 9 x .05) **City business tax collectors will enter zero (0).**
- Line 11: Calculate the total business tax due to the state by subtracting Line 10 from Line 9.
- Line 12: Calculate any penalty due for late filing by adding 5% of Line 11 for each 30-day period the return is delinquent. The penalty due may not exceed 25% of the amount reflected in Line 11. **The minimum penalty due is \$15.**
- Line 13: Calculate any interest due for late filing. Multiply the amount on Line 11 by the Department's current interest rate per annum and compute the interest due from the return due date to the date of payment.
- Line 14: Calculate the total remittance due by adding Lines 11, 12, and 13. Enclose a check in the amount shown with the return payable to the Tennessee Department of Revenue.